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GLOBAL TRADE

Extended truce between China and the United States: China postpones its restrictions on rare earth exports for one year and resumes purchases of American soybeans. In return, the United States reduces additional tariffs on fentanyl from 20% to 10% and extends the pause on so-called "reciprocal" tariffs (maintained at 10%).

Trade agreement between the United States and South Korea: this allows for a reduction in US reciprocal tariffs from 25% to 15% (except for aeronautics, globally exempted products, and semiconductors, for which tariffs will be aligned with those imposed on Taiwan); in exchange, South Korea will invest USD 350 billion in the US (including a USD 150 billion partnership in shipbuilding).

ADVANCED ECONOMIES

UNITED STATES

A rate cut and the end of QT. The FOMC decided on a second consecutive rate cut (-25 bp despite two dissenting votes, with S. Miran in favour of a larger cut and J. Schmid in favour of a hold), bringing the Fed Funds target to +3.75%-+4.0%. The committee remains divided, according to Jerome Powell, and a cut in December is "far from a foregone conclusion" ([read the full analysis](#)). The end of the Fed's balance sheet runoff was announced, effective 1 December. The final GDP Now estimate reached +3.9% AR in Q3 (stable compared to Q2), with a positive contribution from foreign trade. In October, consumer confidence (Conference Board) remained sluggish (94.6, -1.0pp) and expectations declined for the fourth consecutive month. *Coming up: ISM manufacturing (Monday) and non-manufacturing (Wednesday) for October; University of Michigan consumer confidence for November (Friday).*

EUROZONE / EUROPEAN UNION

ECB status quo reinforced by improved economic outlook. The ECB kept its key interest rates unchanged (2% on the deposit facility). According to Christine Lagarde, the downside risks to growth have diminished: growth surprised on the upside in Q3 2025 (+0.2% q/q). However, activity was stagnating in Germany and Italy. The labour market confirms this resilience: the unemployment rate remained stable at 6.3% in September. The European Commission's monthly survey points to a further strengthening of activity in Q4, in line with the PMIs. In October, the industrial index reached its highest level since June 2023, pushing the Economic Sentiment Index (ESI) to its highest level in a year and a half. Harmonised inflation fell from 2.2% to 2.1% y/y in October: stronger disinflation in energy (-1%) and a slowdown in non-energy goods (-0.6%) more than offset inflation in services (+3.4%). Outstanding loans to households and businesses in the Eurozone continued to rise (up 2.5% y/y and 2.8% y/y in September, respectively). However, the average cost of new loans to businesses rose again (+4bp to 3.49%) and lending standards for businesses and consumers tightened in Q3 2025; this trend is expected to continue in Q4. *Coming up: September producer prices (Wednesday), September retail sales (Thursday).*

- **France: Favourable economic data.** GDP growth reached 0.5% q/q according to INSEE, a performance well above expectations thanks to goods production (+1.5% q/q), particularly in aeronautics, exports (+2.2% q/q) and non-financial business investment (+0.9% q/q). Household consumption underperformed once again (+0.1% q/q). The ESI improved to 95.4 in October (+2.5 pts m/m), supported by

households and industry. The number of people registered with France Travail (category A, unemployed) fell by 1% according to the Ministry of Labour. Harmonised inflation returned to 0.9% y/y in October, dragged down by energy and food prices. Debates in the National Assembly on the revenue section of the draft finance bill (PLF) have so far led to an increase in several taxes (mainly on large companies), while the government has announced that it will abandon the non-indexation of pensions and minimum social benefits as part of the draft bill on social security financing, which will be discussed in the Assembly from Tuesday. *Coming up: car registrations (Tuesday), industrial production (Wednesday), Q3 salaried employment (Thursday) and foreign trade (Friday).*

- **Germany: No growth, but investment rebounds, and the outlook improves.** GDP stagnated in Q3. According to Destatis, exports continued to decline. However, investment in machinery and equipment (which fell sharply in Q2) picked up, supported by tax incentives and budget growth (defense and infrastructure) in place since the end of Q3. The ESI improved to 91.5 in October (+1pt m/m), supported by industry and services. Household confidence fell to -24.1 in October according to GfK (-1.6 pts m/m), with households worrying about their purchasing power. In fact, harmonised inflation fell less than expected to 2.3% y/y in October (-0.1 pt m/m) due to goods and energy prices. It remained higher in services (transport, health and insurance in particular). *Coming up: new industrial orders (Wednesday), industrial production (Thursday) and foreign trade (Friday).*

- **Italy: Zero growth (+0.0% q/q) in Q3.** In September, the unemployment rate rose slightly to 6.1% (+0.1pp m/m). Headline and core inflation slowed significantly in October (1.3% y/y and 1.9% respectively). The ESI improved, supported by construction, rising above 100 (100.5; +1.4pp m/m) for the first time in 2025. The index improved in industry (-6.7; +1.0 pts; highest level since May 2024) and remained buoyant in services (2.4; -0.1 pts). Household confidence improved (-15.3; +0.4 pts). The manufacturing PMI has displayed signs of stabilisation (49.9; +0.9 pts m/m), driven by an increase in production (50.6; +1.4 pts) and a slower deterioration in new orders (49.7; +2.1 pts). *Coming up: October new vehicle registrations (Tuesday), October composite and services PMI indices and September retail sales (Wednesday), construction PMI (Thursday).*

- **Spain: GDP and inflation still above average.** GDP growth reached 0.6% q/q in Q3, supported by domestic demand, particularly household consumption (+0.7pp contribution). In October, inflation returned to its highest level since June 2024 (3.2% in October; +0.2pp m/m). The manufacturing PMI continued to improve (52.1; +0.6pp), driven by an increase in production (53.6; +1.7pp) and new orders (52.6; +0.3pp). *Coming up: labour market and car sales (Tuesday), composite and services PMI (Wednesday), industrial production (Thursday).*

UNITED KINGDOM

Business start-ups down, property market rebounds. According to the ONS, 73,540 businesses were created in Q3 2025 (-3.9% y/y), with declines in 8 of the 16 main sectors. The property market is being buoyed by lower borrowing rates: prices (Nationwide survey) rose in October (+0.3% m/m and 2.4% y/y), as did home loans (excluding renegotiations), which were up 1.5% m/m in September. *Coming up: October Decision Maker Panel survey, BoE monetary policy meeting (Thursday), October Halifax house price survey (Friday).*



JAPAN

The Bank of Japan (BoJ) keeps its key interest rate at +0.5%, confirming its cautious approach to monetary tightening. Two out of nine members voted for a rate hike. The BoJ revised its growth scenario for the current fiscal year (+0.7%, +0.1pp) and for core inflation (excl. fresh food and energy) in 2026 (+2.0%, +0.1pp). The rise in Tokyo's core CPI in October (+2.8% y/y, +0.3pp) adds to the likelihood of a rate hike in December. In October, consumer confidence reached its highest level since December 2024 at 35.8 (+0.5 points). Manufacturing output rebounded in September (+1.9% m/m), while retail sales remained weak (-0.8% m/m). Finally, the meeting between Prime Minister S. Takaichi and D. Trump resulted in cooperation agreements on rare earths and nuclear power.

EMERGING ECONOMIES

ASIA

- **China: PMI decline in October.** The official composite PMI index fell slightly from 50.6 to 50, the lowest level since the end of the pandemic. Surveys suggest that the Chinese economy has lost momentum, with a slowdown in growth in manufacturing and construction, while activity in services is reported to have increased slightly. Official PMIs fell from 49.8 in September to 49 in October in the manufacturing sector, and from 50 to 50.1 in services; the manufacturing PMI published by RatingDog deteriorated from 51.2 in September to 50.6 in October). The decline in manufacturing PMIs is mainly due to the fall in new export orders.

- **Manufacturing PMIs:** Rebound in India (to 59.2 from 57.7 in September) and in most ASEAN countries (particularly Thailand and Vietnam). However, PMIs fell to 49.4 (from 50.7 in September) for Korea and 49.5 (from 49.8 in September) for Malaysia. With the exception of Taiwan, export order PMIs all declined compared to September.

CENTRAL EUROPE

- **Manufacturing PMIs:** In the Czech Republic, Poland and Romania, manufacturing PMIs remained below the 50 threshold in October. In Hungary, the index fell slightly but remained above 50.

- **Czech Republic and Hungary: Mixed signals.** In Q3, Hungarian GDP growth stagnated on a quarterly basis (0% q/q, after 0.4% q/q in Q2) and rose slightly year-on-year (+0.7% y/y after 0.3% y/y). The Hungarian economy is struggling to regain momentum and growth is not expected to exceed +1% y/y this year (2024: +0.6%; 2023: -0.7%). The breakdown of GDP data is not known, but there is every reason to believe that investment was sluggish. Consumption has probably held up well, judging by retail sales and households' intentions to purchase durable goods. Fiscal policy should continue to support economic activity in the short term, even though consolidation measures have been implemented. In the Czech Republic, real GDP growth stood at 0.7% quarter-on-quarter (2.7% year-on-year). The economy is showing resilience even though it is one of the most exposed to the tariff shock in the region. Growth is likely to exceed 2% this year (in Q3, the carry-over effect is 2.4% for 2025).

LATIN AMERICA

- **Manufacturing PMIs:** In Brazil and Mexico, manufacturing PMIs deteriorated again in October. In Brazil, the index has been below the 50 threshold for the sixth consecutive month. In Mexico, the index has been below 50 fifteen times in the last sixteen months (August being the exception). In both countries, export orders continue to deteriorate.

- **Chile and Colombia: Monetary status quo.** The central banks left their key rates unchanged at 4.75% and 9.25%, respectively. In Chile, inflation rose again in September, reaching 4.4% y/y (compared with 4% in August). In Colombia, inflation has been rising since July and reached 5.2% in September.

- **Mexico: GDP contracted by 0.3% q/q in Q3 2025.** The industrial sector, which had shown resilience in the first half of the year, contracted by 1.5% q/q in Q3. Over January-September, real GDP grew by 0.2% year-on-year. Despite headwinds, growth could accelerate in Q4. New US tariffs on Mexican imports, which were due to come into effect on 1 November, have been postponed for several weeks, according to President C. Sheinbaum.

MIDDLE-EAST

Saudi Arabia: Economic growth reached 5% y/y in Q3, the strongest rate in two and a half years. The Saudi economy continues to benefit from the rebound in oil production in line with OPEC+ policy. Hydrocarbon GDP grew by 8.2% y/y in Q3, following 3.8% in Q2 and a contraction of 0.5% in Q1. Excluding hydrocarbons, private sector activity also remains robust (+4.5%) thanks to domestic demand and the continuation of major infrastructure projects. The 25 bp cut in the key interest rate following the Fed's decision should reinforce this momentum in the coming months.

RAW MATERIALS

OPEC+ members have decided to pause production increases during the first quarter of 2026, judging market conditions to be less favourable. However, they have agreed to increase production by 137k b/d in December, continuing the increase that began last October (+1.66 m b/d in total).

